

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6470

Chapter 235, Laws of 2016

64th Legislature
2016 Regular Session

WINERIES--VARIOUS PROVISIONS

EFFECTIVE DATE: 6/9/2016

Passed by the Senate March 8, 2016
Yeas 44 Nays 4

BRAD OWEN

President of the Senate

Passed by the House March 3, 2016
Yeas 96 Nays 1

FRANK CHOPP

Speaker of the House of Representatives

Approved April 1, 2016 5:25 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6470** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 4, 2016

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6470

AS AMENDED BY THE HOUSE

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators King, Hasegawa, Conway, Keiser, Hewitt, Rivers, and Chase)

READ FIRST TIME 02/04/16.

1 AN ACT Relating to provisions concerning wineries in respect to
2 the licensing of private collections of wine, allowing wineries to
3 make sales for off-premises consumption at special occasion licensed
4 events, modifying special occasion licenses, and making certain
5 related technical corrections; amending RCW 66.24.380, 66.12.110,
6 66.12.120, 66.12.240, 66.20.170, 66.20.180, 66.20.190, 66.20.200,
7 66.20.210, 66.24.210, 66.28.030, 66.28.035, 66.28.040, and 66.44.350;
8 reenacting and amending RCW 66.24.170 and 66.20.010; creating a new
9 section; and repealing RCW 66.24.440.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

11 **Sec. 1.** RCW 66.24.170 and 2014 c 105 s 1 and 2014 c 27 s 1 are
12 each reenacted and amended to read as follows:

13 (1) There (~~shall be~~) is a license for domestic wineries; fee to
14 be computed only on the liters manufactured: Less than two hundred
15 fifty thousand liters per year, one hundred dollars per year; and two
16 hundred fifty thousand liters or more per year, four hundred dollars
17 per year.

18 (2) The license allows for the manufacture of wine in Washington
19 state from grapes or other agricultural products.

20 (3) Any domestic winery licensed under this section may also act
21 as a retailer of wine of its own production. Any domestic winery

1 licensed under this section may act as a distributor of its own
2 production. Notwithstanding any language in this title to the
3 contrary, a domestic winery may use a common carrier to deliver up to
4 one hundred cases of its own production, in the aggregate, per month
5 to licensed Washington retailers. A domestic winery may not arrange
6 for any such common carrier shipments to licensed retailers of wine
7 not of its own production. Except as provided in this section, any
8 winery operating as a distributor and/or retailer under this
9 subsection must comply with the applicable laws and rules relating to
10 distributors and/or retailers, except that a winery operating as a
11 distributor may maintain a warehouse off the premises of the winery
12 for the distribution of wine of its own production provided that: (a)
13 The warehouse has been approved by the board under RCW 66.24.010; and
14 (b) the number of warehouses off the premises of the winery does not
15 exceed one.

16 (4) A domestic winery licensed under this section, at locations
17 separate from any of its production or manufacturing sites, may serve
18 samples of its own products, with or without charge, may sell wine of
19 its own production at retail, and may sell for off-premises
20 consumption wines of its own production in kegs or sanitary
21 containers meeting the applicable requirements of federal law brought
22 to the premises by the purchaser or furnished by the licensee and
23 filled at the tap at the time of sale, provided that: (a) Each
24 additional location has been approved by the board under RCW
25 66.24.010; (b) the total number of additional locations does not
26 exceed two; (c) a winery may not act as a distributor at any such
27 additional location; and (d) any person selling or serving wine at an
28 additional location for (~~on-premise~~—~~[on-premises]~~) on-premises
29 consumption must obtain a class 12 or class 13 alcohol server permit.
30 Each additional location is deemed to be part of the winery license
31 for the purpose of this title. At additional locations operated by
32 multiple wineries under this section, if the board cannot connect a
33 violation of RCW 66.44.200 or 66.44.270 to a single licensee, the
34 board may hold all licensees operating the additional location
35 jointly liable. Nothing in this subsection may be construed to
36 prevent a domestic winery from holding multiple domestic winery
37 licenses.

38 (5)(a) A domestic winery licensed under this section may apply to
39 the board for an endorsement to sell wine of its own production at
40 retail for off-premises consumption at a qualifying farmers market.

1 The annual fee for this endorsement is seventy-five dollars. An
2 endorsement issued pursuant to this subsection does not count toward
3 the two additional retail locations limit specified in this section.

4 (b) For each month during which a domestic winery will sell wine
5 at a qualifying farmers market, the winery must provide the board or
6 its designee a list of the dates, times, and locations at which
7 bottled wine may be offered for sale. This list must be received by
8 the board before the winery may offer wine for sale at a qualifying
9 farmers market.

10 (c) The wine sold at qualifying farmers markets must be made
11 entirely from grapes grown in a recognized Washington appellation or
12 from other agricultural products grown in this state.

13 (d) Each approved location in a qualifying farmers market is
14 deemed to be part of the winery license for the purpose of this
15 title. The approved locations under an endorsement granted under this
16 subsection include tasting or sampling privileges subject to the
17 conditions pursuant to RCW 66.24.175. The winery may not store wine
18 at a farmers market beyond the hours that the winery offers bottled
19 wine for sale. The winery may not act as a distributor from a farmers
20 market location.

21 (e) Before a winery may sell bottled wine at a qualifying farmers
22 market, the farmers market must apply to the board for authorization
23 for any winery with an endorsement approved under this subsection to
24 sell bottled wine at retail at the farmers market. This application
25 shall include, at a minimum: (i) A map of the farmers market showing
26 all booths, stalls, or other designated locations at which an
27 approved winery may sell bottled wine; and (ii) the name and contact
28 information for the on-site market managers who may be contacted by
29 the board or its designee to verify the locations at which bottled
30 wine may be sold. Before authorizing a qualifying farmers market to
31 allow an approved winery to sell bottled wine at retail at its
32 farmers market location, the board (~~shall~~) must notify the persons
33 or entities of such application for authorization pursuant to RCW
34 66.24.010 (8) and (9). An authorization granted under this subsection
35 (5)(e) may be withdrawn by the board for any violation of this title
36 or any rules adopted under this title.

37 (f) The board may adopt rules establishing the application and
38 approval process under this section and such additional rules as may
39 be necessary to implement this section.

40 (g) For the purposes of this subsection:

1 (i) "Qualifying farmers market" means an entity that sponsors a
2 regular assembly of vendors at a defined location for the purpose of
3 promoting the sale of agricultural products grown or produced in this
4 state directly to the consumer under conditions that meet the
5 following minimum requirements:

6 (A) There are at least five participating vendors who are farmers
7 selling their own agricultural products;

8 (B) The total combined gross annual sales of vendors who are
9 farmers exceeds the total combined gross annual sales of vendors who
10 are processors or resellers. However, if a farmers market does not
11 satisfy this subsection (5)(g)(i)(B), a farmers market is still
12 considered a "qualifying farmers market" if the total combined gross
13 annual sales of farmers and processors at the farmers market is one
14 million dollars or more;

15 (C) The total combined gross annual sales of vendors who are
16 farmers, processors, or resellers exceeds the total combined gross
17 annual sales of vendors who are not farmers, processors, or
18 resellers;

19 (D) The sale of imported items and secondhand items by any vendor
20 is prohibited; and

21 (E) No vendor is a franchisee.

22 (ii) "Farmer" means a natural person who sells, with or without
23 processing, agricultural products that he or she raises on land he or
24 she owns or leases in this state or in another state's county that
25 borders this state.

26 (iii) "Processor" means a natural person who sells processed food
27 that he or she has personally prepared on land he or she owns or
28 leases in this state or in another state's county that borders this
29 state.

30 (iv) "Reseller" means a natural person who buys agricultural
31 products from a farmer and resells the products directly to the
32 consumer.

33 (6) Wine produced in Washington state by a domestic winery
34 licensee may be shipped out-of-state for the purpose of making it
35 into sparkling wine and then returned to such licensee for resale.
36 Such wine (~~(shall be)~~) is deemed wine manufactured in the state of
37 Washington for the purposes of RCW 66.24.206, and shall not require a
38 special license.

39 (7) During an event held by a nonprofit holding a special
40 occasion license issued under RCW 66.24.380, a domestic winery

1 licensed under this section may take orders, either in writing or
2 electronically, and accept payment for wines of its own production
3 under the following conditions:

4 (a) Wine produced by the domestic winery may be served for on-
5 premises consumption by the special occasion licensee;

6 (b) The domestic winery delivers wine to the consumer on a date
7 after the conclusion of the special occasion event;

8 (c) The domestic winery delivers wine to the consumer at a
9 location different from the location at which the special occasion
10 event is held;

11 (d) The domestic winery complies with all requirements in chapter
12 66.20 RCW for direct sale of wine to consumers;

13 (e) The wine is not sold for resale; and

14 (f) The domestic winery is entitled to all proceeds from the sale
15 and delivery of its wine to a consumer after the conclusion of the
16 special occasion event, but may enter into an agreement to share a
17 portion of the proceeds of these sales with the special occasion
18 licensee licensed under RCW 66.24.380.

19 **Sec. 2.** RCW 66.24.380 and 2012 c 2 s 112 are each amended to
20 read as follows:

21 There is a retailer's license to be designated as a special
22 occasion license to be issued to a not-for-profit society or
23 organization to sell spirits, beer, and wine by the individual
24 serving for on-premises consumption at a specified event, such as at
25 picnics or other special occasions, at a specified date and place;
26 fee sixty dollars per day.

27 (1) The not-for-profit society or organization is limited to
28 sales of no more than twelve calendar days per year. For the purposes
29 of this subsection, special occasion licensees that are "agricultural
30 area fairs" or "agricultural county, district, and area fairs," as
31 defined by RCW 15.76.120, that receive a special occasion license
32 may, once per calendar year, count as one event fairs that last
33 multiple days, so long as alcohol sales are at set dates, times, and
34 locations, and the board receives prior notification of the dates,
35 times, and locations. The special occasion license applicant will pay
36 the sixty dollars per day for this event.

37 (2) The licensee may sell spirits, beer, and/or wine in original,
38 unopened containers for off-premises consumption if permission is
39 obtained from the board prior to the event.

1 (3) In addition to offering the sale of wine by the individual
2 selling for on-premises consumption, the licensee may sell wine in
3 original, unopened containers for on-premises consumption if
4 permission is obtained from the board prior to the event.

5 (4) Sale, service, and consumption of spirits, beer, and wine is
6 to be confined to specified premises or designated areas only.

7 ~~((4))~~ (5) Liquor sold under this special occasion license must
8 be purchased from a licensee of the board.

9 ~~((5))~~ (6) Any violation of this section is a class 1 civil
10 infraction having a maximum penalty of two hundred fifty dollars as
11 provided for in chapter 7.80 RCW.

12 **Sec. 3.** RCW 66.12.110 and 2012 c 117 s 272 are each amended to
13 read as follows:

14 A person twenty-one years of age or over may bring into the state
15 from without the United States, free of tax and markup, for his or
16 her personal or household use such alcoholic beverages as have been
17 declared and permitted to enter the United States duty free under
18 federal law.

19 Such entry of alcoholic beverages in excess of that herein
20 provided may be authorized by the board upon payment of an equivalent
21 ~~((markup and))~~ tax as would be applicable to the purchase of the same
22 or similar liquor at retail ~~((from a Washington state liquor store))~~
23 in this state. The board ~~((shall))~~ must adopt appropriate regulations
24 pursuant to chapter 34.05 RCW for the purpose of carrying out the
25 provisions of this section. The board may issue a spirits, beer, and
26 wine private club license to a charitable or nonprofit corporation of
27 the state of Washington, the majority of the officers and directors
28 of which are United States citizens and the minority of the officers
29 and directors of which are citizens of the Dominion of Canada, and
30 where the location of the premises for such spirits, beer, and wine
31 private club license is not more than ten miles south of the border
32 between the United States and the province of British Columbia.

33 **Sec. 4.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to
34 read as follows:

35 Notwithstanding any other provision of this title ~~((66-RCW))~~, a
36 person twenty-one years of age or over may, free of tax ~~((and~~
37 ~~markup))~~, for personal or household use, bring into the state of
38 Washington from another state no more than once per calendar month up

1 to two liters of spirits or wine or two hundred eighty-eight ounces
2 of beer. Additionally, such person may be authorized by the board to
3 bring into the state of Washington from another state a reasonable
4 amount of alcoholic beverages in excess of that provided in this
5 section for personal or household use only upon payment of an
6 equivalent (~~(markup and)~~) tax as would be applicable to the purchase
7 of the same or similar liquor at retail (~~(from a state liquor store)~~)
8 in this state. The board (~~(shall)~~) must adopt appropriate regulations
9 pursuant to chapter 34.05 RCW for the purpose of carrying into effect
10 the provisions of this section.

11 **Sec. 5.** RCW 66.12.240 and 2009 c 361 s 1 are each amended to
12 read as follows:

13 (1) Nothing in this title applies to or prevents a wedding
14 boutique or art gallery from offering or supplying without charge
15 wine or beer by the individual glass to a customer for consumption on
16 the premises. However, the customer must be at least twenty-one years
17 of age and may only be offered one glass of wine or beer, and wine or
18 beer served or consumed (~~(shall)~~) must be purchased from a Washington
19 state licensed retailer (~~(or a Washington state liquor store or~~
20 ~~agency)~~) at full retail price. A wedding boutique or art gallery
21 offering wine or beer without charge may not advertise the service of
22 complimentary wine or beer and may not sell wine or beer in any
23 manner. Any employee involved in the service of wine or beer must
24 complete a board-approved limited alcohol server training program.

25 (2) (~~(For the purposes of this section:)~~) The definitions in this
26 subsection apply throughout this section unless the context clearly
27 requires otherwise.

28 (a) "Art gallery" means a room or building devoted to the
29 exhibition and/or sale of the works of art.

30 (b) "Wedding boutique" means a business primarily engaged in the
31 sale of wedding merchandise.

32 **Sec. 6.** RCW 66.20.010 and 2015 c 195 s 1, 2015 c 194 s 3, and
33 2015 c 59 s 1 are each reenacted and amended to read as follows:

34 Upon application in the prescribed form being made to any
35 employee authorized by the board to issue permits, accompanied by
36 payment of the prescribed fee, and upon the employee being satisfied
37 that the applicant should be granted a permit under this title, the
38 employee must issue to the applicant under such regulations and at

1 such fee as may be prescribed by the board a permit of the class
2 applied for, as follows:

3 (1) Where the application is for a special permit by a physician
4 or dentist, or by any person in charge of an institution regularly
5 conducted as a hospital or sanitorium for the care of persons in ill
6 health, or as a home devoted exclusively to the care of aged people,
7 a special liquor purchase permit, except that the governor may waive
8 the requirement for a special liquor purchase permit under this
9 subsection pursuant to an order issued under RCW 43.06.220(2);

10 (2) Where the application is for a special permit by a person
11 engaged within the state in mechanical or manufacturing business or
12 in scientific pursuits requiring alcohol for use therein, or by any
13 private individual, a special permit to purchase alcohol for the
14 purpose named in the permit, except that the governor may waive the
15 requirement for a special liquor purchase permit under this
16 subsection pursuant to an order issued under RCW 43.06.220(2);

17 (3) Where the application is for a special permit to consume
18 liquor at a banquet, at a specified date and place, a special permit
19 to purchase liquor for consumption at such banquet, to such
20 applicants as may be fixed by the board;

21 (4) Where the application is for a special permit to consume
22 liquor on the premises of a business not licensed under this title, a
23 special permit to purchase liquor for consumption thereon for such
24 periods of time and to such applicants as may be fixed by the board;

25 (5) Where the application is for a special permit by a
26 manufacturer to import or purchase within the state alcohol, malt,
27 and other materials containing alcohol to be used in the manufacture
28 of liquor, or other products, a special permit;

29 (6) Where the application is for a special permit by a person
30 operating a drug store to purchase liquor at retail prices only, to
31 be thereafter sold by such person on the prescription of a physician,
32 a special liquor purchase permit, except that the governor may waive
33 the requirement for a special liquor purchase permit under this
34 subsection pursuant to an order issued under RCW 43.06.220(2);

35 (7) Where the application is for a special permit by an
36 authorized representative of a military installation operated by or
37 for any of the armed forces within the geographical boundaries of the
38 state of Washington, a special permit to purchase liquor for use on
39 such military installation;

1 (8) Where the application is for a special permit by a vendor
2 that manufactures or sells a product which cannot be effectively
3 presented to potential buyers without serving it with liquor or by a
4 manufacturer, importer, or distributor, or representative thereof, to
5 serve liquor without charge to delegates and guests at a convention
6 of a trade association composed of licensees of the board, when the
7 said liquor is served in a hospitality room or from a booth in a
8 board-approved suppliers' display room at the convention, and when
9 the liquor so served is for consumption in the said hospitality room
10 or display room during the convention, anything in this title to the
11 contrary notwithstanding. Any such spirituous liquor must be
12 purchased from a spirits retailer or distributor, and any such liquor
13 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and
14 66.24.210;

15 (9) Where the application is for a special permit by a
16 manufacturer, importer, or distributor, or representative thereof, to
17 donate liquor for a reception, breakfast, luncheon, or dinner for
18 delegates and guests at a convention of a trade association composed
19 of licensees of the board, when the liquor so donated is for
20 consumption at the said reception, breakfast, luncheon, or dinner
21 during the convention, anything in this title to the contrary
22 notwithstanding. Any such spirituous liquor must be purchased from a
23 spirits retailer or distributor, and any such liquor is subject to
24 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

25 (10) Where the application is for a special permit by a
26 manufacturer, importer, or distributor, or representative thereof, to
27 donate and/or serve liquor without charge to delegates and guests at
28 an international trade fair, show, or exposition held under the
29 auspices of a federal, state, or local governmental entity or
30 organized and promoted by a nonprofit organization, anything in this
31 title to the contrary notwithstanding. Any such spirituous liquor
32 must be purchased from a liquor spirits retailer or distributor, and
33 any such liquor is subject to the taxes imposed by RCW 82.08.150,
34 66.24.290, and 66.24.210;

35 (11) Where the application is for an annual special permit by a
36 person operating a bed and breakfast lodging facility to donate or
37 serve wine or beer without charge to overnight guests of the facility
38 if the wine or beer is for consumption on the premises of the
39 facility. "Bed and breakfast lodging facility," as used in this

1 subsection, means a facility offering from one to eight lodging units
2 and breakfast to travelers and guests;

3 (12) Where the application is for a special permit to allow
4 tasting of alcohol by persons at least eighteen years of age under
5 the following circumstances:

6 (a) The application is from a community or technical college as
7 defined in RCW 28B.50.030, a regional university, or a state
8 university;

9 (b) The person who is permitted to taste under this subsection is
10 enrolled as a student in a required or elective class that is part of
11 a culinary, sommelier, wine business, enology, viticulture, wine
12 technology, beer technology, or spirituous technology-related degree
13 program;

14 (c) The alcohol served to any person in the degree-related
15 programs under (b) of this subsection is tasted but not consumed for
16 the purposes of educational training as part of the class curriculum
17 with the approval of the educational provider;

18 (d) The service and tasting of alcoholic beverages is supervised
19 by a faculty or staff member of the educational provider who is
20 twenty-one years of age or older. The supervising faculty or staff
21 member shall possess a class 12 or 13 alcohol server permit under the
22 provisions of RCW 66.20.310;

23 (e) The enrolled student permitted to taste the alcoholic
24 beverages does not purchase the alcoholic beverages; and

25 (f) The permit fee for the special permit provided for in this
26 subsection (12) must be waived by the board;

27 (13) Where the application is for a special permit by a
28 distillery or craft distillery for an event not open to the general
29 public to be held or conducted at a specific place, including at the
30 licensed premise of the applying distillery or craft distillery, upon
31 a specific date for the purpose of tasting and selling spirits of its
32 own production. The distillery or craft distillery must obtain a
33 permit for a fee of ten dollars per event. An application for the
34 permit must be submitted for private banquet permits prior to the
35 event and, once issued, must be posted in a conspicuous place at the
36 premises for which the permit was issued during all times the permit
37 is in use. No licensee may receive more than twelve permits under
38 this subsection (13) each year;

39 (14) Where the application is for a special permit by a
40 manufacturer of wine for an event not open to the general public to

1 be held or conducted at a specific place upon a specific date for the
2 purpose of tasting and selling wine of its own production. The winery
3 must obtain a permit for a fee of ten dollars per event. An
4 application for the permit must be submitted at least ten days before
5 the event and once issued, must be posted in a conspicuous place at
6 the premises for which the permit was issued during all times the
7 permit is in use. No more than twelve events per year may be held by
8 a single manufacturer under this subsection;

9 (15) Where the application is for a special permit by an
10 individual or business to sell a private collection of wine or
11 spirits to an individual or business. The seller must obtain a permit
12 at least five business days before the sale, for a fee of twenty-five
13 dollars per sale. The seller must provide an inventory of products
14 sold and the agreed price on a form provided by the board. The seller
15 shall submit the report and taxes due to the board no later than
16 twenty calendar days after the sale. A permit may be issued under
17 this section to allow the sale of a private collection to licensees,
18 but may not be issued to a licensee to sell to a private individual
19 or business which is not otherwise authorized under the license held
20 by the seller. If the liquor is purchased by a licensee, all sales
21 are subject to taxes assessed as on liquor acquired from any other
22 source. The board may adopt rules to implement this section.

23 **Sec. 7.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each
24 amended to read as follows:

25 A card of identification may for the purpose of this title and
26 for the purpose of procuring liquor, be accepted as an identification
27 card by any licensee (~~or store employee~~) and as evidence of legal
28 age of the person presenting such card, provided the licensee (~~or~~
29 ~~store employee~~) complies with the conditions and procedures
30 prescribed herein and such regulations as may be made by the board.

31 **Sec. 8.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to
32 read as follows:

33 A card of identification (~~shall~~) must be presented by the
34 holder thereof upon request of any licensee, (~~store employee,~~
35 ~~contract liquor store manager, contract liquor store employee,~~)
36 peace officer, or enforcement officer of the board for the purpose of
37 aiding the licensee, (~~store employee, contract liquor store manager,~~
38 ~~contract liquor store employee,~~) peace officer, or enforcement

1 officer of the board to determine whether or not such person is of
2 legal age to purchase liquor when such person desires to procure
3 liquor from a licensed establishment (~~(or state liquor store or~~
4 ~~contract liquor store)~~).

5 **Sec. 9.** RCW 66.20.190 and 2012 c 117 s 280 are each amended to
6 read as follows:

7 In addition to the presentation by the holder and verification by
8 the licensee (~~(or store employee)~~) of such card of identification,
9 the licensee (~~(or store employee)~~) who is still in doubt about the
10 true age of the holder (~~(shall)~~) must require the person whose age
11 may be in question to sign a certification card and record an
12 accurate description and serial number of his or her card of
13 identification thereon. Such statement (~~(shall)~~) must be upon a five-
14 inch by eight-inch file card, which card (~~(shall)~~) must be filed
15 alphabetically by the licensee (~~(or store employee)~~) at or before the
16 close of business on the day on which the statement is executed, in
17 the file box containing a suitable alphabetical index and the card
18 (~~(shall)~~) must be subject to examination by any peace officer or
19 agent or employee of the board at all times. The certification card
20 (~~(shall)~~) must also contain in bold-face type a statement stating
21 that the signer understands that conviction for unlawful purchase of
22 alcoholic beverages or misuse of the certification card may result in
23 criminal penalties including imprisonment or fine or both.

24 **Sec. 10.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to
25 read as follows:

26 (1) It (~~(shall be)~~) is unlawful for the owner of a card of
27 identification to transfer the card to any other person for the
28 purpose of aiding such person to procure alcoholic beverages from any
29 licensee (~~(or store employee)~~). Any person who (~~(shall)~~) permits his
30 or her card of identification to be used by another or transfer such
31 card to another for the purpose of aiding such transferee to obtain
32 alcoholic beverages from a licensee (~~(or store employee)~~) or gain
33 admission to a premises or portion of a premises classified by the
34 board as off-limits to persons under twenty-one years of age, (~~(shall~~
35 ~~be)~~) is guilty of a misdemeanor punishable as provided by RCW
36 9A.20.021, except that a minimum fine of two hundred fifty dollars
37 (~~(shall)~~) must be imposed and any sentence requiring community

1 restitution ((shall)) must require not fewer than twenty-five hours
2 of community restitution.

3 (2) Any person not entitled thereto who unlawfully procures or
4 has issued or transferred to him or her a card of identification, and
5 any person who possesses a card of identification not issued to him
6 or her, and any person who makes any false statement on any
7 certification card required by RCW 66.20.190, to be signed by him or
8 her, ((shall-be)) is guilty of a misdemeanor punishable as provided
9 by RCW 9A.20.021, except that a minimum fine of two hundred fifty
10 dollars ((shall)) must be imposed and any sentence requiring
11 community restitution ((shall)) must require not fewer than twenty-
12 five hours of community restitution.

13 **Sec. 11.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each
14 amended to read as follows:

15 (1) No licensee or the agent or employee of the licensee((, ~~or~~
16 ~~store employee, shall~~)) may be prosecuted criminally or be sued in
17 any civil action for serving liquor to a person under legal age to
18 purchase liquor if such person has presented a card of identification
19 in accordance with RCW 66.20.180, and has signed a certification card
20 as provided in RCW 66.20.190.

21 (2) Such card in the possession of a licensee may be offered as a
22 defense in any hearing held by the board for serving liquor to the
23 person who signed the card and may be considered by the board as
24 evidence that the licensee acted in good faith.

25 **Sec. 12.** RCW 66.24.210 and 2012 c 20 s 2 are each amended to
26 read as follows:

27 (1) There is hereby imposed upon all wines except cider sold to
28 wine distributors ((and the Washington state liquor control board,))
29 within the state a tax at the rate of twenty and one-fourth cents per
30 liter. Any domestic winery or certificate of approval holder acting
31 as a distributor of its own production ((shall)) must pay taxes
32 imposed by this section. There is hereby imposed on all cider sold to
33 wine distributors ((and the Washington state liquor control board))
34 within the state a tax at the rate of three and fifty-nine one-
35 hundredths cents per liter. However, wine sold or shipped in bulk
36 from one winery to another winery ((shall)) is not ((be)) subject to
37 such tax.

1 (a) The tax provided for in this section shall be collected by
2 direct payments based on wine purchased by wine distributors.

3 (b) Except as provided in subsection (7) of this section, every
4 person purchasing wine under the provisions of this section (~~shall~~)
5 must on or before the twentieth day of each month report to the board
6 all purchases during the preceding calendar month in such manner and
7 upon such forms as may be prescribed by the board, and with such
8 report (~~shall~~) must pay the tax due from the purchases covered by
9 such report unless the same has previously been paid. Any such
10 purchaser of wine whose applicable tax payment is not postmarked by
11 the twentieth day following the month of purchase will be assessed a
12 penalty at the rate of two percent a month or fraction thereof. The
13 board may require that every such person shall execute to and file
14 with the board a bond to be approved by the board, in such amount as
15 the board may fix, securing the payment of the tax. If any such
16 person fails to pay the tax when due, the board may (~~forthwith~~)
17 suspend or cancel the license until all taxes are paid.

18 (c) Any licensed retailer authorized to purchase wine from a
19 certificate of approval holder with a direct shipment endorsement or
20 a domestic winery (~~shall~~) must make monthly reports to the liquor
21 (~~control~~) and cannabis board on wine purchased during the preceding
22 calendar month in the manner and upon such forms as may be prescribed
23 by the board.

24 (2) An additional tax is imposed equal to the rate specified in
25 RCW 82.02.030 multiplied by the tax payable under subsection (1) of
26 this section. All revenues collected during any month from this
27 additional tax (~~shall~~) must be transferred to the state general
28 fund by the twenty-fifth day of the following month.

29 (3) An additional tax is imposed on wines subject to tax under
30 subsection (1) of this section, at the rate of one-fourth of one cent
31 per liter for wine sold after June 30, 1987. After June 30, 1996,
32 such additional tax does not apply to cider. An additional tax of
33 five one-hundredths of one cent per liter is imposed on cider sold
34 after June 30, 1996. All revenues collected under this subsection (3)
35 shall be disbursed quarterly to the Washington wine commission for
36 use in carrying out the purposes of chapter 15.88 RCW.

37 (4) An additional tax is imposed on all wine subject to tax under
38 subsection (1) of this section. The additional tax is equal to
39 twenty-three and forty-four one-hundredths cents per liter on
40 fortified wine as defined in RCW 66.04.010 when bottled or packaged

1 by the manufacturer, one cent per liter on all other wine except
2 cider, and eighteen one-hundredths of one cent per liter on cider.
3 All revenues collected during any month from this additional tax
4 shall be deposited in the state general fund by the twenty-fifth day
5 of the following month.

6 (5)(a) An additional tax is imposed on all cider subject to tax
7 under subsection (1) of this section. The additional tax is equal to
8 two and four one-hundredths cents per liter of cider sold after June
9 30, 1996, and before July 1, 1997, and is equal to four and seven
10 one-hundredths cents per liter of cider sold after June 30, 1997.

11 (b) All revenues collected from the additional tax imposed under
12 this subsection (5) (~~shall~~) must be deposited in the state general
13 fund.

14 (6) For the purposes of this section, "cider" means table wine
15 that contains not less than one-half of one percent of alcohol by
16 volume and not more than seven percent of alcohol by volume and is
17 made from the normal alcoholic fermentation of the juice of sound,
18 ripe apples or pears. "Cider" includes, but is not limited to,
19 flavored, sparkling, or carbonated cider and cider made from
20 condensed apple or pear must.

21 (7) For the purposes of this section, out-of-state wineries
22 (~~shall~~) must pay taxes under this section on wine sold and shipped
23 directly to Washington state residents in a manner consistent with
24 the requirements of a wine distributor under subsections (1) through
25 (4) of this section, except wineries shall be responsible for the tax
26 and not the resident purchaser.

27 (8) Notwithstanding any other provision of this section, any
28 domestic winery or wine certificate of approval holder acting as a
29 distributor of its own production that had total taxable sales of
30 wine in Washington state of six thousand gallons or less during the
31 calendar year preceding the date on which the tax would otherwise be
32 due is not required to pay taxes under this section more often than
33 annually.

34 **Sec. 13.** RCW 66.28.030 and 2012 c 2 s 113 are each amended to
35 read as follows:

36 Every domestic distillery, brewery, and microbrewery, domestic
37 winery, certificate of approval holder, licensed (~~liquor~~) spirits
38 importer, licensed wine importer, and licensed beer importer is
39 responsible for the conduct of any licensed spirits, beer, or wine

1 distributor in selling, or contracting to sell, to retail licensees,
2 spirits, beer, or wine manufactured by such domestic distillery,
3 brewery, microbrewery, domestic winery, manufacturer holding a
4 certificate of approval, sold by an authorized representative holding
5 a certificate of approval, or imported by such (~~liquor~~) spirits,
6 beer, or wine importer. Where the board finds that any licensed
7 spirits, beer, or wine distributor has violated any of the provisions
8 of this title or of the regulations of the board in selling or
9 contracting to sell spirits, beer, or wine to retail licensees, the
10 board may, in addition to any punishment inflicted or imposed upon
11 such distributor, prohibit the sale of the brand or brands of
12 spirits, beer, or wine involved in such violation to any or all
13 retail licensees within the trade territory usually served by such
14 distributor for such period of time as the board may fix,
15 irrespective of whether the distiller manufacturing such spirits or
16 the (~~liquor~~) spirits importer importing such spirits, brewer
17 manufacturing such beer or the beer importer importing such beer, or
18 the domestic winery manufacturing such wine or the wine importer
19 importing such wine or the certificate of approval holder
20 manufacturing such spirits, beer, or wine or acting as authorized
21 representative actually participated in such violation.

22 **Sec. 14.** RCW 66.28.035 and 2012 c 39 s 7 are each amended to
23 read as follows:

24 (1) By the (~~15th~~) 20th day of each month, all spirits
25 certificate of approval holders must file with the board, in a form
26 and manner required by the board, a report of all spirits delivered
27 to purchasers in this state during the preceding month (~~along with a~~
28 ~~copy~~). Copies of the invoices for all such purchases or other
29 information required by the board that would disclose the identity of
30 the purchasers must be made available upon request.

31 (2) A spirits certificate of approval holder may not ship or
32 cause to be transported into this state any spirits unless the
33 purchaser to whom the spirits are to be delivered is:

34 (a) Licensed by the board to sell spirits in this state, and the
35 license is in good standing; or

36 (b) Otherwise legally authorized to sell spirits in this state.

37 (3) The liquor (~~control~~) and cannabis board must maintain on
38 its web site a list of all purchasers that meet the conditions of
39 subsection (2) of this section.

1 (4) A violation of this section is grounds for suspension of a
2 spirits certificate of approval license in accordance with RCW
3 66.08.150, in addition to any punishment as may be authorized by RCW
4 66.28.030.

5 **Sec. 15.** RCW 66.28.040 and 2014 c 92 s 2 are each amended to
6 read as follows:

7 Except as permitted by the board under RCW 66.20.010, no domestic
8 brewery, microbrewery, distributor, distiller, domestic winery,
9 importer, rectifier, certificate of approval holder, or other
10 manufacturer of liquor may, within the state of Washington, give to
11 any person any liquor; but nothing in this section nor in RCW
12 66.28.305 prevents a domestic brewery, microbrewery, distributor,
13 domestic winery, distiller, certificate of approval holder, or
14 importer from furnishing samples of beer, wine, or spirituous liquor
15 to authorized licensees for the purpose of negotiating a sale, in
16 accordance with regulations adopted by the liquor (~~control~~) and
17 cannabis board, provided that the samples are subject to taxes
18 imposed by RCW 66.24.290 and 66.24.210; nothing in this section
19 prevents a domestic brewery, microbrewery, domestic winery,
20 distillery, certificate of approval holder, or distributor from
21 furnishing beer, wine, or spirituous liquor for instructional
22 purposes under RCW 66.28.150; nothing in this section prevents a
23 domestic winery, certificate of approval holder, or distributor from
24 furnishing wine without charge, subject to the taxes imposed by RCW
25 66.24.210, to a not-for-profit group organized and operated solely
26 for the purpose of enology or the study of viticulture which has been
27 in existence for at least six months and that uses wine so furnished
28 solely for such educational purposes or a domestic winery, or an out-
29 of-state certificate of approval holder, from furnishing wine without
30 charge or a domestic brewery, or an out-of-state certificate of
31 approval holder, from furnishing beer without charge, subject to the
32 taxes imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller
33 licensed under RCW 66.24.140 or an accredited representative of a
34 distiller, manufacturer, importer, or distributor of spirituous
35 liquor licensed under RCW 66.24.310, from furnishing spirits without
36 charge, to a nonprofit charitable corporation or association exempt
37 from taxation under 26 U.S.C. Sec. 501(c)(3) or (6) of the internal
38 revenue code of 1986 for use consistent with the purpose or purposes
39 entitling it to such exemption; nothing in this section prevents a

1 domestic brewery or microbrewery from serving beer without charge, on
2 the brewery premises; nothing in this section prevents donations of
3 wine for the purposes of RCW 66.12.180; nothing in this section
4 prevents a domestic winery from serving wine without charge, on the
5 winery premises; and nothing in this section prevents a craft
6 distillery from serving spirits, on the distillery premises subject
7 to RCW 66.24.145.

8 **Sec. 16.** RCW 66.44.350 and 2014 c 29 s 4 are each amended to
9 read as follows:

10 Notwithstanding provisions of RCW 66.44.310, employees of
11 businesses holding beer and/or wine restaurant; beer and/or wine
12 private club; snack bar; spirits, beer, and wine restaurant; spirits,
13 beer, and wine private club; catering; and sports entertainment
14 facility licenses who are (~~licensees~~) between eighteen and twenty-
15 one years of age (~~and over~~) may take orders for, serve, and sell
16 liquor in any part of the licensed premises except cocktail lounges,
17 bars, or other areas classified by the Washington state liquor
18 (~~control~~) and cannabis board as off-limits to persons under twenty-
19 one years of age: PROVIDED, That such employees may enter such
20 restricted areas to perform work assignments including picking up
21 liquor for service in other parts of the licensed premises,
22 performing clean up work, setting up and arranging tables, delivering
23 supplies, delivering messages, serving food, and seating patrons:
24 PROVIDED FURTHER, That such employees (~~shall~~) remain in the areas
25 off-limits to minors no longer than is necessary to carry out their
26 aforementioned duties: PROVIDED FURTHER, That such employees
27 (~~shall~~) are not be permitted to perform activities or functions of
28 a bartender.

29 NEW SECTION. **Sec. 17.** RCW 66.24.440 (Liquor by the drink,
30 spirits, beer, and wine restaurant, spirits, beer, and wine private
31 club, hotel, spirits, beer, and wine nightclub, sports entertainment
32 facility, and VIP airport lounge license—Purchase of liquor by
33 licensees—Discount) and 2011 c 325 s 3, 2009 c 271 s 8, 2007 c 370 s
34 20, 1998 c 126 s 8, 1997 c 321 s 29, & 1949 c 5 s 5 are each
35 repealed.

36 NEW SECTION. **Sec. 18.** If specific funding for the purposes of
37 this act, referencing this act by bill or chapter number, is not

1 provided by June 30, 2016, in the supplemental omnibus operating
2 appropriations act, this act is null and void.

Passed by the Senate March 8, 2016.

Passed by the House March 3, 2016.

Approved by the Governor April 1, 2016.

Filed in Office of Secretary of State April 4, 2016.